



## Fiscal Estimate Narratives

ETH 2/27/2006

LRB Number	<b>05-4616/1</b>	Introduction Number	<b>AB-1059</b>	Estimate Type	<b>Original</b>
<b>Description</b> Funding for the administration of any state board that is created by the legislature to administer elections, ethics, and lobbying regulation laws and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

2005 Assembly Bill 1059 appropriates \$1,657,900 [GPR] to the Joint Committee on Finance and allocates that sum to finance the operations of a board created as a successor to the current Ethics Board and Elections Board.

If an act of the Legislature creates such a new board, then 2005 Assembly Bill 1059 authorizes the Joint Committee on Finance to supplement the appropriation to the new board for the administration of its responsibilities.

Unknown at the time of this estimate are:

\*Whether the Legislature will create the board that Assembly Bill 1059 envisions;

\*The responsibilities of a successor board;

\*Whether the Legislature will authorize additional positions for the new board; and

\*The dates of existence of the current boards and the new board.

Engrossed 2005 Senate Bill 1 would create a Government Accountability Board, effective on the day after publication of the act. The existing Ethics Board and Elections Board would go out of existence on the first day of the sixth month after publication of the act. The bill repeals appropriations to the Ethics and Elections Board effective the first day of the sixth month after publication of act.

Assembly Substitute Amendment 1 to 2005 Senate Bill 1 would create a Government Accountability Board, effective the day after publication of the act. The existing Ethics Board and Elections Board would go out of existence on June 1, 2007. Substitute Amendment 1 repeals appropriations to the Ethics and Elections Board effective June 1, 2007.

Assembly Substitute Amendment 2 to 2005 Senate Bill 1 would create a Government Accountability and Integrity Board, effective January 1, 2007. The existing Ethics Board and Elections would go out of existence on July 1, 2007. Substitute Amendment 2 repeals appropriations to the Ethics and Elections Board effective July 1, 2007.

The money that this bill appropriates could be applied to all costs that the successor board incurs in the administration of the elections, ethics, and lobbying regulation laws.

These costs, based in part on the assumptions and calculations of the original fiscal estimate for Senate Bill 1, might include:

1. The per diems and expenses of the new Board's members. SB 1 would establish a 4 member board and a \$25 per diem. ASA 1 would establish a 7 member board and a \$25 per diem and ASA 2 would establish a 7 member board and a \$150 per diem. Per diem and expense costs could range from an estimated \$3,000 (based on an estimate of 20 meetings under SB 1's and ASA 1's earlier effective date) to \$12,000 (based on an estimate of 10 meetings under ASA 2's later effective date, but higher per diem);
2. The salaries, fringe benefits, and setup costs of the 4 new positions contemplated by ASA 1 (an executive director, an administrator of an enforcement division, one FTE attorney for the enforcement division, and 1 FTE support staff for the enforcement division) or the 3 new positions contemplated by ASA 2 (an executive director, an administrator of an enforcement division, and one FTE attorney for the enforcement division) estimated as one-time setup costs of \$14,000 to \$18,000 and an annualized salary cost of \$420,000 (ASA 2) or \$524,000 (ASA 1);
3. Moving, IT conversion, and reorganization costs for the Ethics and Elections Board estimated to be

approximately \$125,000;

4. Costs to continue the new Board after June 1, 2007 until adoption of the FY 07-08 budget, estimated to be approximately \$420,000 to \$437,000 (assuming an August 1 effective date for the budget); and

SB!, ASA 1, and ASA 2 would also eliminate program revenue spending authority after June 1, 2007. It is assumed that the program revenue spending authority for lobby fees, campaign finance report filing fees, recount fees, and fees from training sessions and sales would be restored with the FY 07-08 budget.

### **Long-Range Fiscal Implications**